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ABSTRACT

This paper presents a fiscal impact analysis of special education funding of inclusion at one of Indiana's pilot test school sites. Preliminary information includes a brief history of education for children with disabilities in the least restrictive environment. Indiana's weighted formula for special education funding is then explained and problems with the current formula process are identified. The inclusion program of the Clark County Schools is described, focusing on the four elementary schools involved in the inclusive site grant. Data are then summarized for the following areas: cost of inclusion compared to cost of traditional programs (average cost is slightly less in the inclusion model); inclusion staff assignments; costs for inclusion compared to traditional programs; administrative costs of inclusion; transportation costs of inclusion; and staff development costs of inclusion. The paper recommends that Indiana shift from the weighted formula funding approach to a formula that will support all programs during this time of transition in service delivery. It also lists recommended special education integration policies and practices and urges investment in staff development. Contains nine references. (DB)

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in Special Education

ED 373 528

Special Education Inclusion

Fiscal Analysis of Clark County Schools Inclusion Site Grant

A Program Developed by

The Clark County Special Education Cooperative
Greater Clark County Schools
West Clark Community Schools
Clarksville Community Schools
Ann Schnepf, Director

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Indiana State University

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August 1993

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Indiana State University

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BRIEF HISTORY:
Education in the Least Restrictive Environment

Least Restrictive Environment is an original requirement in the 1975 legislation: The Education for All Handicapped Children Act, P.L. 94-142. The concept of Least Restrictive Environment (LRE) had its origin in the landmark 1954 Supreme Court decision in Brown vs. Board of Education which abolished the legality of school segregation for black and white American school children.

Segregation in education for persons with disabilities has been part of our history since the organization of state schools for the deaf and blind in the 1800's, through the development of state institutions for mentally disabled in the early 1900's and including public school based special education programs through the 1960's. Beginning with the 1975 Federal and State legislation and regulations, many school based special education programs introduced the concept of mainstreaming in response to LRE. Since the late 1980's education initiatives for school restructuring have expanded this concept into special education inclusion programs and services.

LRE is a legal term which states that each school district must have written policies and procedures which ensure:

> To the maximum extent appropriate, students with disabilities, including those in public or private residential institutions and other care facilities in the geographic area of jurisdiction are educated with nondisabled students. [Indiana Administrative Code 511, 7-12-2(a)(1)].

Mainstreaming is not a legal term, but concept has enabled students in separate programs to interact with non-disabled peers, usually during non-academic activities. Usually students with disabilities joined other students in general education program areas such as lunch, music, art and physical education. This idea also relates to academic integration for disabled students to join non-disabled peers in general education instructional activities at age and grade appropriate levels. The academic decision is usually made for students who are performing at grade level in the segregated special education classroom. These are usually students with mild disabilities who can perform appropriately within the range of abilities at grade level without much in the way of program modification or support. [Legal Analysis of LRE: Dorothy Hopko, Indiana Division of Special Education].

Inclusion is not a legal term, but is based in the philosophy that children with disabilities should not be segregated, but should be educated with age-appropriate peers. It embraces the concept of neighborhood school settings with membership in age-appropriate general education classrooms. The concept envisions new ways to organize curriculums, modify programs of instruction and provide necessary support for the student to benefit from their free appropriate public education. [Winners All: A Call for Inclusive Schools, NASBE Study Group, page 15].

The National Association of State Boards of Education (NASBE) published a report calling for inclusive schools. The study group established six criteria which defined an inclusive school [Winners All: A Call for Inclusive Schools, NASB Study Group, page 12]:

1. Students attend their home school with their age and grade peers.

2. The proportion of students labeled for special services is relatively uniform for all the schools within a school district and this ration reflects the proportion of people with disabilities in society.
3. Included students are not isolated into special classes or wings within the school.
4. To the maximum extent possible, included students receive their in-school educational services in the general education classroom with appropriate in-class support.
5. This instruction is complemented with community based instruction that provides the student with the opportunity to learn a variety of life and employment skills in normal community settings.
6. Principals of inclusive schools are accountable for the outcomes of all of the students in the school.

In July, 1992, the Indiana General Assembly passed a law establishing an inclusion school pilot program. The legislature defines an inclusion school as one that educates each child with disabilities in the school located within the school corporation of legal settlement and integrates each child with disabilities in regular education classes for as much of the student instructional day as possible to normalize the child's academic learning and social experience. [Inclusion: What Does It Mean?, Lisa F. Tanselle, Indiana School Board Association and I.C. 20-1-6.2-3].

SPECIAL EDUCATION FUNDING: Indiana's Weighted Formula Explained

The focus of this paper is a fiscal impact analysis of inclusion at one of the Indiana pilot test school sites. Indiana uses a weighted formula to fund special education programs and services. This type of funding effectively discourages inclusion practices because it rewards categorical identification and full time special education programs at higher funding levels. Because of Indiana's history with school funding, the weighted formula has some fundamental concerns which affect service delivery in general. In order to understand some of the conclusions and recommendations, the following review of Indiana special education funding is presented as background information.

The Weighted Formula for Special Education Funding was developed by the National Educational Finance Project in 1970. Two Indiana studies were conducted in the early and mid-1970's to establish the Indiana School Weighted Formula developed in 1975.

The Weighted Formula was adopted as a fair way to fund Special Education due to the fact that it was intended to recognize the excess costs for these programs—both direct and related services. The philosophy behind the Weighted Formula is that all students are first citizens of the school district and disabled second. The formula's principle is that state and local funds for education are the base of support for students as citizens of the district. The Weighted Formula adds to this in order to provide for the other programs and services related to Special Education. Properly funded, this formula would provide support for appropriate programs and services.

INDIANA SPECIAL EDUCATION FUNDING: GLOSSARY

1. Net Basic Grant is the state level of funding to schools for the education of all children. The Net Basic Grant is calculated by a lengthy formula known as the State Tuition Support Formula.

2. Local Tax Levy is the local property tax base which is added to the Net Basic Grant to support education for all children. The Local Tax Levy is calculated based on the community's property tax assessed valuations.

3. Foundation is the legislatively determined base of support for the Weighted Formula for Special Education Funding. Program Weight is the legislatively determined factor which represents the excess cost for each category of special education.

4. Additional Pupil Count (APC) is determined by multiplying the Program weight times the number of pupils in a handicapped program. APC is multiplied times the Foundation to calculate the State's share of the Weighted Formula which is added to the Net Basic Grant and Local Levy.

5. Preschool programs are required for children with special needs who are 3 or 4 years of age. These programs are funded outside of the weighted formula through a combination of local levy plus state support.

6. Federal Grants are flow-through funds from the federal government through the Division of Special Education. There are several purposes of these various grants, but each is based on a per capita level of funding based on appropriation divided by the number of students.

Indiana Special Education is supported by these 6 Revenue Sources:

THE STUDENT AS A CITIZEN		**THE STUDENT AS A DISABLED CITIZEN**
1. Net Basic Grant (State)		4. APC (State)
2. Local Levy (Local)	**ADDED TO**	5. State Support for Preschool Programs
3. Local Levy (1%) for Preschool Programs		6. Federal Grants

The Net Basic Grant and Local Levy are added together to support general education costs in the school's General Fund Budget. The Weighted Formula adjusts special education funding according to the excess cost of the program. This is then added to the Net Basic Grant and Local Levy support. School aged special needs student's programs also receive Federal funds from IDEA and Title I 89-31. In addition some discretionary and competitive grant funds are available for specific program development. Preschool programs are supported by the Local Levy plus State support which is added to Federal funds for early childhood.

PROBLEMS WITH THE CURRENT FORMULA PROCESS

1. The APC Weighted Formula has never been properly supported by an adequate Foundation. The Foundation was intended to equal the average cost for general education per pupil support, but the history has been an ever widening gap between the intended support for Special Education and actual funds available.

2. The Foundation is so low it does not fund the support and related services required by state and federal regulations. There is no factor in the formula for teacher aides, supervisors, Physical/Occupational Therapy, Counselors, or other related services/support staff.

3. Federal Grants have also not been funded at the level mandated by Congress and, while they have been an asset in establishing initiatives they continue to erode as student enrollment has increased.

In short, such categorical funding mechanisms work against the fundamental concepts of home school or inclusionary services because they reward increased identification for categorical services. The more severe the special student need or the more categorical needs required, the higher the formula revenue. The less restrictive the educational program, the fewer the categories of service, the less formula revenue is available for programs. In fact, if a special needs student is served in general education without referral or identification, then no excess revenues are generated to provide for their support services.

PROGRAM DESCRIPTION:
Clark County Schools and Inclusion

Clark County Special Education Cooperative is made up of three (3) school corporations through a Joint Services Supply Agreement. Greater Clark School District is the Local Educational Agency (LEA). The total school age population ADM is 14,788 as of December, 1992.

Services for students with disabilities are provided in a two-tiered system all under the organizational umbrella of the Clark County Special Education Cooperative. Programs and services for students with learning disabilities and communication disabilities are provided by each local school district. Transportation is provided by each local school district. Special education administration, related services, preschool and low incidence programs and services are provided by the Clark County Schools.

The December 1, 1992 duplicated child count for Clark Count Special Education Cooperative: (Duplicated = All Services Counted: Some students have more than one service).

Multiple Handicap	30
Physical Impairment	18
Visual Impairment	23
Hearing Impairment	12
Emotional Impairment Full Time	174
Emotional Impairment All Other	107
Learning Disabilities Full Time	333
Learning Disabilities All Other	526
Communication Disorder	813
Mild Mental Handicap	156
Moderate Mental Handicap	35
Severe Mental Handicap	27
Homebound	59
TOTAL:	**2313**

INCLUSION SITE GRANT

Since closing the separate facility in 1976, the Cooperative has followed a progression of moving students with disabilities into general education settings. Since that time the Cooperative has actively pursued inclusion of students with disabilities into regular school campuses, into regular school settings, age appropriate facilities, and finally into general education classrooms. This has been achieved with all disability programs and services. In addition, the development of peer tutoring programs, special friends programs and buddy systems has facilitated the inclusion of students with severe disabilities into the mainstream.

In 1989, the Cooperative began a pilot program at Bridgepoint Elementary to include children living in that school's catchment area in their home school, regardless of the student's abilities, disabilities or program needs. The result has been a fully inclusive program where every student living in that catchment area can be fully served in their home school and in the regular age appropriate class rooms.

During the 1991-92 school year, Bridgepoint continued to function as an inclusive home school. In addition, three additional elementary schools proceeded with planning for inclusion. In the fall of 1992, these schools invited all students with disabilities who lived in their catchment areas to attend their home neighborhood school. Each child was fully included in age appropriate general education programs.

Four additional schools were involved in year long planning with parents, teachers and administrators during 1992-93 school year. This model of planning for inclusion of all students in their home school has proven successful at the pilot school sites.

In addition, during the 1992-93 school year, the Cooperative Board considered options to restructure the Special Education Cooperative. They researched program and service delivery needs and adopted a planning district model for full inclusion. This included consideration of funding systems, curriculum, staff development, district policies and procedures. This plan is a long term commitment to inclusive programs and services which will be reviewed and updated annually.

Because inclusion programs are an important component in the Cooperative's service delivery system, the pilot project anticipated seven outcomes:

1. The benefit for all students of including students with special needs in the mainstream full time.

2. The ability of schools to include students with disabilities in general education programs.

3. The ability to expand the concept throughout each district within the Cooperative.

4. The development of policy and guidelines for inclusion through the Cooperative governing board.

5. To recognize the value of each student as a child first, and foremost.

6. To develop attitudes among students, teachers, parents and administrators that students are mostly alike, but that when they have differences, these differences can be celebrated, recognized and discussed rather than ridiculed or belittled.

7. To develop a sense of "can do". Persons with disabilities are important contributors to society not deterrents.

The four (4) elementary schools involved in the inclusive site grant are listed below with relevant information regarding programs and services.

BRIDGEPOINT ELEMENTARY SCHOOL

Greater Clark County Schools
Mr. Gil Newton, Principal
Enrollment: 456
Kg = 2
1st = 4
2nd = 4
3rd = 3
4th = 4
5th = 3
Special Needs Enrollment: 23
MH=1, PH=1, HI=1, EH=1, LD=16
MiMH=1, MoMH=1, & SPMH=1

JONATHAN JENNINGS ELEMENTARY SCHOOL

Greater Clark County Schools
Ms. Patricia McNames, Principal
Enrollment: 447
Kg = 2
1st = 3
2nd = 4
3rd = 3
4th = 3
5th = 3
Special Needs Enrollment: 30
HI=1, VH=1, EH=1, LD=18 &
MiMH=9

PLEASANT RIDGE ELEMENTARY SCHOOL

Greater Clark County Schools
Ms. Carolyn Sanders, Principal
Enrollment: 498
Kg = 2
1st = 3
2nd = 6
3rd = 4
4th = 2
5th = 3
Special Needs Enrollment: 28
EH=4, LD=15, MiMH=6
MoMH=2, & SPMH=1

WILSON ELEMENTARY SCHOOL

Greater Clark County Schools
Ms. Brenda Johnston, Principal
Enrollment: 464
Kg = 2
1st = 4
2nd = 5
3rd = 3
4th = 3
5th = 4
Special Needs Enrollment: 28
MH=1, EH=3, LD=20, &
MiMH=4

DATA COLLECTION and RESULTS OF THE STUDY

The purpose of the study was to determine a fiscal impact statement regarding inclusive special education programs and services. The initial design of the study intended to focus on direct and identifiable costs associated with inclusion service delivery: Instruction, Administration, and Transportation. We designed the fiscal analysis procedures so that we could compare the costs related to the inclusive programs in the four pilot elementary schools to traditional special education services provided in the remaining elementary schools in the district.

As we expected, Instruction and Administration were relatively easy to isolate and to develop comparative cost information. Transportation was more elusive, but we have some conclusions which will be presented and discussed. During our review of this information a fourth area emerged as an important fiscal impact area which we generally termed Staff Development.

From our analysis of the study, Staff Development may be the critical point of inclusive special education services; more important than Instruction and Administration concerns. It was difficult to assign cost centers related to this fiscal impact area because of the district's short history with inclusion programs. However, we did develop a budget guideline which will be discussed with recommendations.

INSTRUCTION: COST OF INCLUSION COMPARED TO COST OF TRADITIONAL PROGRAMS

Clark County Special Education Cooperative serves a total of 19 elementary schools in the three member school corporations, 13 of which are located in the LEA, Greater Clark Schools. For the purposes of this study we focused on the inclusionary and traditional programs located in Greater Clark only. Four (4) of those in Greater Clark are the pilot test sites for inclusion programs. The nine (9) remaining schools have a variety of special education programs and services provided in traditional service delivery models.

Costs that could be isolated for instruction included Teacher and Aide Salary and Fringe Benefits, Travel, Materials, Supplies and Equipment. These were aggregated by school of assignment and program area and then divided by the number of pupils served. The resulting average per pupil expenditure is presented in the following tables in various comparative formats.

TABLE 1: Summary Special Education Staff Instruction Cost for Home Inclusion Schools

SCHOOL	TEACHERS	AIDES	N PUPILS	COST/PUPIL
Bridgepoint	1	6	23	$ 4,744
Jonathon Jennings	3	3	30	$ 4,187
Pleasant Ridge	1	6	28	$ 3,743
Wilson	2	3	28	$ 3,819
Total/Average Cost/Pupil	7	18	109	$ 4,096

TABLE 2: Summary Special Education Staff Instruction Cost for Traditional Program Schools

SCHOOL	TEACHERS	AIDES	N PUPILS	COST/PUPIL
Maple (LD & MiMH)	1	0	15	$ 3,125
New Washington (LD)	1	1	26	$ 2,643
Northhaven (LD, MiMH & EH)	1	1	18	$ 2,063
Parkwood (LD, MiMH & EH)	3	4	50	$ 3,496
Riverside (LD)	1	0	17	$ 1,732
Rose Hill (LD & MH)	2	2.5	16	$ 5,683
Spring Hill (LD, MoMH & SPMH)	5	7	37	$ 6,603
Thomas Jefferson (EH)	1	2	7	$ 8,243
Utica (MiMH)	1	1	8	$ 7,606
Total/Average Cost/Pupil	16	18.5	177	$ 4,267

TABLE 3: Special Education Staff Instruction Cost for Inclusion Programs Compared to Traditional Mild Disabilities and Moderate/Severe Disabilities Programs

PROGRAM	TEACHERS	AIDES	N PUPILS	COST/PUPIL
Inclusion Programs	7	18	109	$ 4,096
Mild Programs	12	11	147	$ 3,920
Moderate/Severe Programs	4	7.5	26	$ 8,017
Traditional Combined	16	18.5	177	$ 4,267

TABLE 4: Comparison of the Ratio of Special Education Instructional Staff to Students

PROGRAM	N STAFF	N PUPILS	STAFF:PUPIL	COST/PUPIL
Inclusion Programs	25	109	1 : 4.4	$ 4,096
Traditional Programs	34.5	177	1 : 5.1	$ 4,267

INCLUSION STAFF ASSIGNMENTS

The Inclusion Site Grant allowed the pilot test schools to define the teacher/aide service delivery model the local school staff believed would appropriately support the programs in their building. This was determined as part of the initial year planning phase in an effort to develop building based ownership and control of the inclusion program.

Bridgepoint and Pleasant Ridge chose a model that we describe as lead teacher coordinating teacher assistants for service delivery. Jonathan Jennings and Wilson chose a more traditional staffing pattern to support the inclusion service. It is interesting to note that the distribution of disability areas and enrollment was somewhat similar in each building. Apparently building staff reached consensus regarding a comfort level of special education instructional staff that would fit their general education program needs to accommodate students with special needs.

This process of modified site based management appears crucial to successful implementation and local building support of inclusion service delivery programs. However, such a procedure does contain an area of concern. That is, union agreements that specify teacher and aide rights for assignment, transfer, involuntary transfer and reduction in force. As the cooperative moves ahead with their long range plan, this point of employee relationship will need to be incorporated into the service delivery planning process.

COSTS FOR INCLUSION COMPARED TO TRADITIONAL PROGRAMS

[NOTE: Before the reader forms hard conclusions regarding this area of information we point out that this study was a small sample from a single cooperative. Since salaries and benefits typically represent about 90% of special education services, individual teachers or aides can affect results significantly. In the author's experience however, the sample was typical of most districts in terms of teacher and aide training and experience factors. It is expected that a wider study including the ten Indiana Pilot Test districts for Inclusion would produce similar results within an acceptable standardized range. Based on the author's review of special education fiscal data from other states, it is expected that higher or lower cost districts would experience a similar ratio of costs/pupil with similar inclusion service delivery models as compared to traditional programs.]

The bottom line is that there is not much difference in the cost per pupil between the Inclusion and Traditional service delivery programs in this cooperative. Inclusion programs averaged $4,096 per pupil as compared to Traditional services cost per pupil of $4,267. To a great extent this was because all staff were utilized in another way at the inclusion sites as compared to traditional Special Education classroom configurations. While there was a significant range in costs between inclusion and low incidence categorical programs, when all the staff and all the students are assigned to an inclusion school the instruction costs average back to the middle for all pupils.

A comparison of the ratio of students served by instructional staff indicated that Inclusion programs provided 1 Special Education staff for about every 4.5 special needs students. This represented a slight edge over Traditional programs with 1 Special Education staff available for about every 5 disabled students. The Inclusion service model has an additional advantage in that all students attend their home school and are assigned to age appropriate general education classrooms which further reduces transportation costs. Traditional Special Education programs serve students at magnet school programs where many of the disabled students attend from a different home school district.

The range in costs between Inclusion and Mild Traditional Programs is very close at $4,096 as compared to $3,920 per pupil. The significant factor in this analysis is that the cost per pupil in Traditional Moderate/Severe programs is nearly double at $8,017. As pointed out above, when all Traditional programs are combined the average cost per pupil is close to the range of Mild and Inclusion programs. While the total bottom line budget cost remains constant, the more severely disabled student's average educational cost reduces as they are served in non-categorical models.

This analysis strikes at the heart of policy and planning for children with special needs educational programs and services. The rule seems to be that the more students are included in programs in which all services are coordinated, the more value for the dollar is provided. Inclusion services, as envisioned by this cooperative, simply look at providing service delivery another way. The total staff and students have been clustered into different configurations. While the total cost has not been significantly reduced, the quality of life and long term educational benefits to special needs students appear to be enhanced.

ADMINISTRATION: COST of INCLUSION

The cooperative director discussed the impact of inclusion upon central office services. It was concluded that while there was increased involvement in the designated school during the planning phase, the day-to-day operation after services were implemented pretty much reflected program needs in traditional model. There was a shift in staff development emphasis to the local building level away from conference and seminar programs. This emphasis resulted in some additional administrative planning and coordination with the inclusion building terms. We will discuss this more in the Staff Development section later.

For the purposes of this study, we decided to review administrative and related services costs across all special education service delivery programs. Our rationale is that during the time frame of this study such services were selectively prioritized, from time to time, to balance both emerging inclusion program needs and traditional service concerns. Our idea was that regardless of the service delivery model, all students and staff deserve an equal share of administrative and related service support.

TABLE 5: Summary Special Education Administration and Related Services Staff Costs

ADMINISTRATION & RELATED SERVICES	TOTAL BUDGET	NUMBER PUPILS	COST PER PUPIL
General Administration (3 Administrators and Central Office)	$187,075	2313	$ 81
Purchased Services (Inservice, Evaluations Legal, Counseling and Adaptive PE)	$ 46,100	2313	$ 20
SUBTOTAL ADMINISTRATION:	$233,175	2313	$101
Psychological Services (6 Psychologists and 1 Intern)	$249,760	2313	$108
Educational Diagnosticians (3 Diagnosticians)	$140,330	2313	$ 61
PT and OT (1 each)	$ 70,210	2313	$ 30
SUBTOTAL RELATED SERVICES:	$460,300	2313	$199
TOTAL/AVERAGE COMBINED:	$693,475	2313	$300

The conclusion we reached is that regardless of the planning district's service delivery configuration for inclusion programs or traditional services, funding realities do not allow many options for management or related services. This pilot site grant demonstrated that inclusion options could be appropriately provided by configuring service delivery resources another way. Administrative and support personnel had to respond with adjusted priorities and develop alternatives to adequately support staff and building personnel, especially in the area of training and staff development. The constant objective that was identified is that management needs to improve training options and support for staff at the building level.

TRANSPORTATION: COST OF INCLUSION

This area was difficult to obtain fiscal information directly related to inclusion services at the pilot site schools. The reason was that during this first year of implementation at the pilot there were still dual transportation systems required. The four pilot test site schools provided regular transportation for most students enrolled in the inclusion programs at their home school. These students did not require special transportation outside their home school transportation system. Some current special routes had to be continued because of the remaining traditional programs in the other elementary schools.

The author did discuss this topic in depth with one district superintendent and in general with the cooperative board of directors. There were some significant indicators which provided insight into possible cost savings.

TAX RATE

It is our belief that if inclusion services were a cooperative policy that most, if not all, special routes could be eliminated. If so, this could reduce the local transportation fund tax rate. If this is possible, it would have the effect of either reducing the overall school tax rate or could be shifted to another fund (if allowable within the established fund rates for maximum levy).

REGULAR ROUTE ADJUSTMENTS

In our estimation, most students could be accommodated on regular transportation to their home school without adjustments. However, if the cooperative policy required all regular transportation systems, some modifications to some buses would be necessary. These would include installing wheelchair lifts and locks on a few buses. This could cause some re-routing due to decreased general seating to accommodate the standard wheelchair tie-down. Some students would require a bus aide for physical or medical assistance. Some students with emotional disorders might require an aide to assist with behavior management. Any number of factors could cause a current bus's transportation overhead to increase, but the combined impact of inclusion could significantly reduce total transportation expenses.

To this point, during the past school year 11 transportation staff positions were eliminated from the transportation budget. Most of these were related to special education "feeder" or "special" routes that were no longer necessary for the students attending home inclusionary schools. In our

experience, any adjustment in transportation can result in major concerns. These can be compounded depending upon whether the bus driver/owner is a private contractor or a district employee. However, the fact that students will spend less time traveling with fewer district transportation routes needed add to the benefit of reduced fiscal considerations. Over all we would expect a significant decrease in transportation expenses if inclusion/home school services were implemented.

STAFF DEVELOPMENT: COST of INCLUSION

The final area of fiscal impact for inclusion program development is staff development. Staff training support has been a priority in federal and state funding regulations, but the fiscal support for direct teacher/student benefit has not been equally recognized in the per pupil allocations. This has resulted in most local planning districts providing for staff development at a less than appropriate level. Typically, a minimum amount of support is provided by the Division of Special Education as part of the IDEA state discretionary funds (Comprehensive System of Personnel Development, CSPD). The planning district must then budget funds available, after service staff costs have been met, to assist with staff development efforts. This is often done by continually prioritizing materials/ supplies needs against staff development requests.

The cooperative receives $5,500 from the Division of Special Education in flow through discretionary federal staff development funds. They budget $200 per teacher for materials, supplies, travel and conferences. Additional budget line items exist for travel and conference for Administration and Psychological Services. The administrative and related service funds have minimal impact on staff development because they mostly support in-district travel and necessary in-state meetings reimbursement.

The Inclusion Site grant was dedicated to building based staff development with a total budget of $28,500. In discussing this area with the cooperative director, it is clear that such commitment to staff development is necessary to successfully implement inclusion service delivery policy and procedures. The guideline seems to be a staff development budget that is at least equal to the cost of a professional staff member. The rationale is that educational management models historically identify a staff coordination position to support planning district inclusion programs and services. It is suggested by this study, that rather than dedicate this costly fiscal resource to one individual who would attempt to meet all staff's needs, it would be more effective to provide building staff with a fair share of the fiscal resource to develop their own inservice options. If these funds were combined with current staff development support, it would go a long way towards meeting each inclusion building faculty's needs.

SUMMARY COMMENTS and RECOMMENDATIONS

FUNDING

Currently there are three basic formulas used by states to support special education programs and services which result in five typical funding mechanisms:

FLAT GRANTS

1. Fixed amount of funds per teacher or classroom unit. These procedures often have class size/ caseload standards.

PERCENTAGE FORMULAS

2. Percentage of Excess Cost usually provides for a reimbursement procedure that is based on a percentage of the total cost for special education categorical programs or for a percentage of the costs over and above general education.

3. Percentage of Personnel Salaries provides for a reimbursement procedure that is based on a percentage of staff salaries for teachers, aides, related personnel, and other staff necessary for special education service delivery.

WEIGHTED FORMULAS

4. Weighted Pupil Formulas (such as the Indiana formula described herein) provide fiscal support by multiplying the weight of a categorical program times the N Pupil enrolled times an established base level of funding.

5. Weighted Personnel and/or Classroom Unit provide fiscal support by multiplying the weight of a categorical teacher/aide/related service staff or a classroom unit times an established base level of funding.

Each has advantages and disadvantages as it relates to appropriate service delivery support. However, most of these funding systems are a disincentive to develop inclusion programs. Most formulas reward increased child counts and categorical identification of students with special needs. Each procedure works against inclusion because of the history of special education funding systems. To develop inclusion will result in reduced funding which is necessary to support staff and services necessary to support general education inclusion program.

We concur with "Recommendation #3: State boards, with state departments of education, should sever the link between funding, placement and handicapping label. Funding requirements should not drive programming and placement decisions for students." [Winners All: A Call for Inclusive Schools, NASBE Study Group, page 30].

It is suggested that Indiana consider two concepts to shift from the weighted formula to a formula that will support all programs during this time of transition in service delivery.

1. Take congruent steps to merge the special education formula with proposed current equalization revision of the State School Formula. Using flat funding concepts, provide a level of support for special education that is at least 1.5 (all special education programs combined will average about half again as much in cost as general education programs in the same district) times the per capita district support (average level of support per student) for

general education for up to 12% (Indiana's Special Education Incidence) of the district's ADM (Average Daily Membership) or within a range of Indiana's incidence from about 1% up to 17%, based on district enrollment.

[This formula was proposed in Winners All, page 32. A similar concept has also been proposed by this author at least twice over the past several years to the General Assembly school finance study committee].

Such a funding system provides no incentive to identification. It does not require categorical services and encourages flexible service delivery models. However, without an assurance that equalized average per capita support for general education is available, such flat-funding systems would prove unworkable. The rich school districts would benefit and the poor school districts would suffer.

2. Adopt administrative policy and develop statutory regulations that would allow the co-mingling of various fund sources. Within the public schools this would encourage the philosophy that "all the children are all the children" and all resources must be coordinated to provide appropriate services. Within communities, this flexibility would invite inter-agency agreements to coordinate services in a collaborative system.

INCLUSION SERVICE DELIVERY

The Clark County Special Education Cooperative developed a pilot inclusion model which utilized current staff resources in creative service delivery systems designed to be unique to each school. The district's basic mission for inclusion can be summed up in the concepts of Least Restrictive Environment. Their vision can be found in the outcome statements developed for the pilot site grant.

The National Education Association developed an educational policy paper that identified and recommended special education integration policies and practices. Listed below is a summary list of identified practices that were common across successful inclusion programs. These are reflected in many of the activities engaged in by the Clark County Special Education Cooperative during the pilot site grant.

- ❑ That all students can succeed and learn.
- ❑ Professional collaboration should be encouraged along with coordinated planning time for teachers working together.
- ❑ The individuals involved with service delivery design the program.
- ❑ All teachers receive integration issues training.
- ❑ District and school based planning and strategic decision making.

- ❑ Special needs and regular education students are collaboratively involved in the learning process.
- ❑ Teaming of regular and special education teachers (support, collaboration, consultation) takes place.
- ❑ Learning is student-centered.

[The Integration of Students with Special Needs into Regular Classrooms: Policies and Practices that Work, May 1992, pages 9 - 12].

The pilot site grant for the cooperative was the result of several year's effort to extend LRE to the home school for all students. At the end of the initial planning year, the committee members acknowledged that the planning and training had reached the point that it was time to begin.

In discussion with the Clark County Special Education Cooperative director, it was pointed out that most of the general education teachers had good instructional skills to meet individual student needs. Many of the general education staff did not have specific teacher training nor a lot of previous inservice training to prepare them to work with special needs students. It was decided that special education inservice training would be reinforced as general education personnel were supported by special education staff.

Some basic inservice was provided as part of the planning year and inservice was continued during the implementation year. A major component of the Cooperative's continuing efforts was to provide for collaboration, co-teaching, consultation and their support from special education staff to the general education teachers. As the teachers worked together and with special needs students in general education classrooms they were able to recommend appropriate program modifications and request meaningful staff development. As the teachers experienced instruction with special needs students they learned to draw on the wide range of skills they have developed and found that most of them worked most of the time. It was recognized that as the special needs student-teacher relationship develops, each concern or solution to a learning situation becomes more like previous experiences.

STAFF DEVELOPMENT

In our review of the cooperative's pilot site grant staff development efforts we suggested that a target training budget equal to the cost of a professional staff member could be an important alternate use of fiscal resources. We recommend that districts considering inclusion service models adopt an ambitious staff training budget. In the experience of the cooperative, this will be best utilized if it is appropriated to the building level and that staff determines their desired training programs after they have had some experience working with special needs students.

One option would be to divide the funds based on special needs enrollment in the building and coordinate with a building based staff development committee. This committee should include teachers, aides, parents and administration. The committee could combine efforts with another

building or coordinate with all staffs to support district-wide training efforts. To be successful, the inclusion programs must belong to the local building and the staff has to determine what they need to know to make their program work.

FURTHER STUDY

Listed below are some thoughts regarding further fiscal research as it relates to inclusion service delivery:

This small study has been instructive and provided some interesting insights into the fiscal impact of inclusion programs. The Clark County Special Education Cooperative represents a comprehensive planning district that has initiated long range planning for inclusion programs and services. It is one of the ten approved Indiana pilot site grants and it would be interesting to extend our investigation to include those districts as they extend their services. Hopefully, such investigation would provide a standard cost analysis for inclusion. Common policy/procedure/service delivery options could point to standard models for success. It is recommended that the Blumberg Center include these planning districts in a wider study to verify our suspected fiscal impact statements.

It is recommended that a component of a broader study include a review of teacher based opinion and feedback regarding their inclusion experiences. This could be best accomplished by a combination of survey and teacher interview. The model the author has in mind is somewhat represented in an article from February, 1993, Exceptional Children, "I've Counted Jon": Transformational Experiences of Teachers Educating Student With Disabilities.

The study points to recommended school finance formula options. It is suggested that this be expanded upon and included in a policy/position paper to the legislative study committee for school finance. This could be coordinated with Indiana School Boards Association (ISBA) and the Indiana Department of Education for recommended rule and regulation modifications to be congruent with the intentions of the proposed funding mechanism.

Finally, the study focused on staff development concerns as related to a general lack of recognition in current funding systems. It is recommended that further study of this concept be reviewed in the context of current priorities for Comprehensive System of Personnel Development (CSPD). Certain portions of the IDEA flow-thru discretionary funds could be looked at another way to create alternative methods of staff development.

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